

South Coast Water District (SCWD)

Utilities organization uses TEC's expert methodology for defining requirements to select best-fit financials and HR system

by Jane Affleck

CASE STUDY



South Coast Water District (SCWD)

Company: • South Coast Water District (SCWD)

Industries or Services: • SCWD is a utilities organization providing high-quality water, recycled water, and sanitary services.

Geography: • Head office located in Laguna Beach, California (US).
• The organization provides water and sewer services to the more than 40,000 residents and over 2 million visitors per year in the coastal communities of Dana Point, South Laguna, and other areas in California.

Software Requirements: • SCWD needed a new financials system with integrated human resources (HR) functionality, in order to improve efficiency and reduce overall workload on financials personnel by eliminating the need for paper processes, allowing faster and timelier reporting, and more.

Users: • 12 users for the financial system's Accounts Payable (AP) and General Ledger (GL) modules, as well as for the HR system's Payroll module.
• 15 users for the financial system's Purchase Orders (PO) module, as well as for the HR system's Time Card Entry and Approval modules.

Software Selection Project Needs: • To find a best-practice software evaluation and selection methodology that would help SCWD better understand and define current and future requirements for financial and HR processes, and perform an objective, high-level comparison of available financial and HR systems.

Software Selection Expert: • SCWD engaged TEC to help define its financials and HR requirements, which in turn facilitated the creation of vendor demonstration scripts that SCWD used to further evaluate the suitability of its short list of solutions.

Benefits: • TEC's extensive knowledge of industry-specific features and functions helped SCWD more quickly and accurately define and prioritize its current financial and HR requirements, as well as anticipate future requirements.
• By following the steps of TEC's objective software evaluation methodology, SCWD not only saved time, but also made a final software selection based on facts rather than emotions or on vendor marketing.

Environmentally Conscious Water District Wants to Eliminate Paper-based Financial and Human Resource Processes

South Coast Water District (SCWD) is an independent provider of high-quality water, recycled water, and sanitary services to its customers—the coastal communities of Dana Point, South Laguna, and areas of north San Clemente and north San Juan Capistrano, California (US), totaling more than 40,000 residents and over 2 million yearly visitors. On a daily basis, SCWD delivers 7 million gallons of potable water to its clients and removes 4 million gallons of wastewater for treatment. Committed to protecting public health and the environment, SCWD provides drinking water that meets all federal and state standards, while its “Zero Sewer Spill Standard” ensures spill prevention through ongoing facility maintenance and improvements. The District’s recycled water program—converting wastewater into treated water that can be used to irrigate parks, golf courses, and greenbelts—is further evidence of its mission to promote water conservation efforts.

A couple of years ago, SCWD realized that its internal processes for finances and human resources (HR) were perhaps not quite as environmentally friendly as its water recycling and other programs. Paper-based processes—such as purchasing and procurement—were not only producing volumes of waste paper, but were also creating extraneous work for employees. This was especially the case for time-keeping and cost records. For one thing, it was becoming more and more difficult to keep track of how

much time field employees were spending on jobs, such as repairs or maintenance. SCWD’s paper-based processes required time cards to be submitted to supervisors, who submitted them to their supervisors, and so on, and so on. Once final approval was obtained, HR staff then had to input the data before issuing the pay checks. This multistage paper-based process resulted in delays in employees getting paid, in addition to the inherent inefficiencies.

There were other inefficiencies and difficulties related to project management, interdepartmental invoicing, and especially reporting processes. All around, these inefficiencies added up to an unnecessary work burden on financial and HR staff, leading the financial director and others to think about implementing an integrated financials and HR software system to automate the manual paper-based processes and reduce workload—and improve efficiency and the speed of project completion. SCWD also wanted a scalable, flexible solution that would grow with the company and integrate with other systems as needed.

Defining Future Financial Software Requirements Is Not as Easy as 1-2-3

SCWD's selection team knew it would need to follow certain steps in order to choose the right software system, and so began by defining its requirements for its financial and HR processes. At the same time, the organization's IT manager, Bryon Black, researched the Internet for software selection methodologies and came across Technology Evaluation Centers (TEC) and its Request for Information (RFI) and Request for Proposal (RFP) Templates.

Black immediately saw how TEC's selection methodology and services could benefit SCWD, but it was only when the in-house requirements definition process clearly wasn't progressing as planned that the organization decided to engage TEC. "We were having some difficulty in defining our requirements," Black recalls, "in that, although HR and finance staff had a good idea of what they didn't want or what wasn't working for them in the current software, they weren't sure about new requirements or what they might need in the future." He explains that this was mainly due to some staff members' lack of knowledge or experience with software applications and their functionality.

On-site Consultation Makes Requirements Definition Process Flow Smoothly

Because of the challenges with requirements definition, SCWD decided to engage TEC to help with the requirements definition process. TEC's decision experts met with finance and HR staff at SCWD headquarters, using TEC's prepopulated RFP templates to help clarify the possible features and functions of current financials and HR systems. Black says he believes TEC's methodology for developing and defining requirements was very productive: "Having the TEC's advisors on-site to prompt our finance and HR staff definitely helped elicit more in-depth responses regarding current as well as future finance business processes."

SCWD ultimately opted for an extended evaluation and selection project with TEC that included training in how to use TEC's Evaluation Centers and the TEC Advisor decision support system (DSS). After all the requirements—over 2,500 of them—were defined, customized where needed, and prioritized, the RFPs were sent to vendors. When the vendor responses came back, TEC loaded them into the TEC Advisor, with which SCWD then performed a detailed evaluation and comparison of the products in terms of how well each supported the company's requirements. Based on the results, SCWD created a shortlist of vendors and further analyzed the responses with reports, graphs, and statistics, including a "what-if" analysis that helped anticipate future requirements.

Well-defined Requirements Lead to Sound Demonstration Scripts

Defining requirements and completing the RFIs offered further benefits during later stages of the software evaluation project. Because of the attention paid to that process, the SCWD selection team was that much more knowledgeable about its key requirements, and consequently much better prepared for the process of creating the vendor demonstration scripts. TEC also provided helpful advice about what to expect from each demo, as well as the best method for objectively scoring each vendor's performance.

In total, four vendors participated in scripted demos. Black says that following the TEC methodology "allowed the scoring to be less impacted by emotion, and more analytical and objective than demo scoring for our previous software projects."

Objective Scoring Methodology and Quantifiable Data Allow for a Supportable Decision

TEC's Evaluation Center and TEC Advisor were also an advantage when, as Black reports, one of the vendors partner representatives didn't follow the script, and had technical and other difficulties during the demo. All these factors gave the scorers a negative impression about that software product, even though the vendor's second partner representative later redid the demo. Black also notes that the graphs and analysis created in TEC Advisor allowed his team to "divorce the sales experience from the actual requirements. If anyone thought, in spite of the objective scoring method, that a vendor gave either a good or a bad demo, we were able to put our subjective opinions to the side and rely more on the results from TEC Advisor." In fact, the results of the TEC Advisor comparison pointed to this very solution as being the best match, so Black and the director of finance "were convinced that we should reconsider the solution, and persuade others to do so too. TEC's data provided a logical basis for reconsidering the solution."

And when it came time to making the final decision and getting support for it, the objective comparison data produced by TEC Advisor helped all stakeholders feel confident that the right decision was being made. "It was very helpful to be able to take graphs, numbers, and other data to present to our board members. Because when they asked, 'What about that local vendor up the road, why aren't we going with that solution?' we were able to show them that those vendors just didn't rank as highly, and how and why they didn't. Using TEC, we had the clear data to back up the decision."



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